







### Making Mission Matter



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Moderated by: Michael Slind Senior Editor, Stanford Social Innovation Review

Wednesday, June 18, 2014 11 a.m. - 12 p.m. PDT / 2 p.m. - 3 p.m. EDT Join the conversation: #SSIRLive



## HENRY R. KRAVIS PRIZE IN LEADERSHIP

AT CLAREMONT MCKENNA COLLEGE

Recognizing bold, visionary leadership and extraordinary impact in the nonprofit sector

# Mission Is Critically Important in the Nonprofit Sector

#### FOR-PROFIT CORPORATIONS VS. NONPROFIT ORGANIZATIONS



- Nonprofits are mission driven
- Nonprofits lack the inherent clarity of purpose of for-profit corporations
- Nonprofits usually have multiple stakeholders who have various, conflicting expectations

Consequently, a mission statement is a highly useful tool to nonprofits (and foundations)

A clear and well-focused mission statement can serve to guide all major decisions that a nonprofit organization must make, especially decisions about which programs and projects to undertake, which to avoid, and which to exit

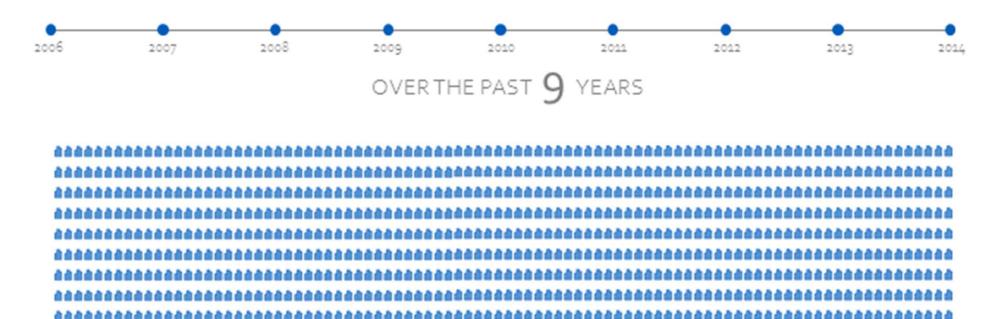
Yet this tool frequently goes unused

No! Avoid! Yes! Let's undertake this project!

Let's exit!

# Most Nonprofits Today Have Missions That Are Fraught with Challenges

Example 1: Evaluating Mission in the Kravis Prize Due Diligence Process



900+ ORGANIZATIONS examined as possible candidates for the Kravis Prize. Due diligence includes evaluating the mission

THE VAST MAJORITY of organizations we examine do not have a clear, focused mission statement. Organizations are often stretched far too thin into many disparate program areas

# Most Nonprofits Today Have Missions that Are Fraught with Challenges (continued)

Example 2: Evaluating Mission at the Stanford Graduate School of Business



#### 1,000 STANFORD GSB STUDENTS

Examining nonprofit mission statements and interviewing stakeholders

75% find that the mission statement they are evaluating lacks rudimentary clarity and encompasses too many activities to execute with excellence. Very few stakeholders know/understand the mission of their organization or feel passion/commitment toward it



## Mission Creep Is the Leading Virus Affecting the Nonprofit Sector



Nonprofits routinely expand their programs far beyond their organizational scope and far beyond their core competencies.

Mission creep can stretch an organization so thin and so far that it can no longer effectively pursue its goals.

## Countless Pressures Cause Mission Creep in the Absence of Strong and Intentional Push-Back



### External pressures

Funders typically want to see the focus of their grantmaking reflected in the mission of the organizations that they fund.

#### Internal pressures

Internal stakeholders are often willing to excessively broaden the scope of the mission in order to obtain funding or other advantages. Developing an effective mission statement is the first, best tool to counteract mission creep.



## Successful Nonprofit Mission Statements Have 7 Key Characteristics



They are focused



They solve unmet public needs



They leverage unique skills



They guide trade-offs







They inspired and are inspired by stakeholders

They anticipate change

They stick in memory

## Nonprofits Must Use the Mission to Proactively Resist Pressures to Go Astray

Say "No, thank you" to funders (or at least push back)

Use the mission statement to guide your organization in wisely deciding which new projects and funding opportunities to accept and which to decline, as well as which ongoing projects to exit





Create an internal organizational culture that is mission-focused

Everyone closely involved with running the nonprofit should live and breathethe mission statement

Nonprofits Must Also Use Their Mission to Step Up to Difficult Assignments

While an effective mission is a tool for knowing when to say 'no' to new projects or opportunities that do not align, it also is a tool for knowing when to say 'yes' to risky or outsized challenges that are well-aligned and take your mission to the next level

## The Case of Landesa Illustrates the Power of an Effective Mission Statement







- A clear focus on its mission has enabled Landesa (formerly called the Rural Development Institute) to resist the temptation to expand into countries and environments (especially urban environments) where it lacks appropriate skills and resources
- Landesa also used its mission to take on the outsized challenge of expanding to India



See the article
"Curbing Mission
Creep"

SSIR, Winter 2008



### DR. Sakena Yacoobi





Dr. Sakena Yacoobi, Founder and CEO, The Afghan Institute of Learning



#### Resources

"The Fundamentals of Nonprofit Management"—a 6-part SSIR Online series by Kim Jonker & William F. Meehan III

(1)

#### **OVERVIEW**

http://www.ssireview.org/articles/entry/ fundamentals\_not\_fads



#### **BOARD GOVERNANCE**

http://www.ssireview.org/articles/entry/ a\_better\_board\_will\_make\_you\_better



#### MISSION

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#### SUCCESSION PLANNING

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#### FUNDRAISING

http://www.ssireview.org/articles/entry/fund raising\_is\_fundamental\_ if\_not\_always\_fun



#### PERFORMANCE MEASUREMENT

http://www.ssireview.org/articles/entry/ clear\_measurement\_counts

"Curbing Mission Creep"

SSIR case study on Landesa (formerly the Rural Development Institute) by Kim Jonker and William F. Meehan III http://www.ssireview.org/articles/entry/curbing\_mission\_creep

"Rural Development Institute (A): Should It Tackle the Problem of the Landless Poor in India?"

Stanford Graduate School of Business case study

http://csi.gsb.stanford.edu/rural-development-institute-a-should-lt-tackle-the-problem-of-the-landless-poor-in\_india

The Afghan Institute of Learning www.afghaninstituteoflearning.org

The Henry R. Kravis Prize in Leadership www.kravisprize.org

## **Audience Questions**



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